

# AGENDA

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## UTAH COUNTIES INDEMNITY POOL BOARD OF DIRECTORS TELEPHONIC CONFERENCE Thursday, November 30, 2017, 1:00 p.m.

1:00 Open Meeting Bruce Adams

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ITEM	ACTION	
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1.	Review/Excuse Board Members Absent	Bruce Adams
2.	Review/Approve Amendments to Governance Documents	Johnnie Miller
3.	Review/Approve Education and Training Specialist Position	Johnnie Miller
4.	Review/Approve Audit Services Engagement Letter	Johnnie Miller
5.	Elect 2018 Officers of the Board	Bruce Adams

Electronic Meeting Notice: 888-447-7153, Participant Passcode: 2261240 Anchor Location: 5397 S Vine, Murray, UT





## Entity: Utah Counties Indemnity Pool

### Body: Board of Trustees

<b>Subject:</b>	Administrative Services
<b>Notice Title:</b>	Board of Trustees Meeting
<b>Meeting Location:</b>	5397 S Vine St Murray 84107-6757
<b>Event Date &amp; Time:</b>	November 30, 2017 November 30, 2017 01:00 PM - November 30, 2017 02:00 PM
<b>Description/Agenda:</b>	Review/Excuse Board Members Absent Review/Approve Amendments to Governance Documents Review/Approve Education and Training Specialist Position Review/Approve Audit Services Engagement Letter Elect 2018 Officers of the Board
<b>Notice of Special Accommodations:</b>	In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, 5397 S Vine St, Murray, UT 84107-6757, or call 801-565-8500, at least three days prior to the meeting.
<b>Notice of Electronic or telephone participation:</b>	Any Member of the Utah Counties Indemnity Pool Board of Directors may participate telephonically.
<b>Other information:</b>	
<b>Contact Information:</b>	Sonya White (801)565-8500 sonya@ucip.utah.gov
<b>Posted on:</b>	November 29, 2017 10:56 AM
<b>Last edited on:</b>	November 29, 2017 10:56 AM

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**BOARD OF DIRECTORS' TELEPHONIC CONFERENCE  
MINUTES**

November 30, 2017, 1:00 p.m.

**BOARD MEMBERS PARTICIPATING**

Bruce Adams, *President*, San Juan County Commissioner  
Bret Millburn, *Vice President*, Davis County Commissioner  
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor  
Alma Adams, Iron County Commissioner  
Deb Alexander, Davis County Human Resources Director  
William Cox, Rich County Commissioner  
James Ebert, Weber County Commissioner  
Victor Iverson, Washington County Commissioner  
Jim Kaiserman, Wasatch County Surveyor  
Mike Wilkins, Uintah County Clerk/Auditor  
Mark Whitney, Beaver County Commissioner

**BOARD MEMBERS ABSENT**

Dale Eyre, Sevier County Attorney  
Robert Decker, Millard County Sheriff

**OTHERS PARTICIPATING**

Johnnie Miller, UCIP Chief Executive Officer  
Sonya White, UCIP Chief Financial Officer

**Call to Order**

Bruce Adams called the telephonic conference of the Utah Counties Indemnity Pool's Board of Directors to order at 1:00 p.m. on November 30, 2017 and welcomed those participating.

**Review/Excuse Board Members Absent**

Jim Kaiserman made a motion to excuse Dale Eyre and Robert Decker from this conference. William Cox seconded the motion, which passed unanimously.

**Review/Approve Amendments to Governance Documents**

Interlocal Cooperation Agreement. Johnnie Miller reported that the Board approved amendments to the Interlocal Cooperation Agreement at their October 12 meeting (see attachment number one). These amendments were presented by Dale Eyre and discussed with the members at the November 16 annual meeting. William Cox made a motion to approve the Seventh Amended Interlocal Cooperation Agreement as presented and discussed with the members at the November 16 annual meeting. Bret Millburn seconded the motion, which passed unanimously. The Seventh Amended Interlocal Cooperation Agreement will become effective when each member executes signs and files the Agreement with the Pool.

Bylaws. Johnnie Miller reported that some Local Entities operating under 17B could be considered for membership in the Pool because all the members of the Local District Board are appointed by the governing body of the County. This issue was brought up by one of UCIP's members during the November 16 annual meeting. Miller recommended an amendment to the Bylaws to include entities created under 17B whose Board is appointed by the governing body of the sponsoring member (see attachment number two). Jim Kaiserman questioned the handling of monies by Local Entities and was concerned that they counties may still be liable. Miller assured the Board that Pool management and the Membership Review Committee will be underwriting any entities requesting membership to make sure they qualify under the Bylaws. Alma Adams made a motion to approve the amendments to the Bylaws as presented. Victor Iverson seconded the motion, which passed. Jim Kaiserman opposed.



Coverage Addendum. Johnnie Miller reported that he reviewed the coverage settlement provisions with County Reinsurance Limited's coverage counsel (see attachment number three). Counsel agreed that the provisions are adequate and protect the fund and its members. Jim Kaiserman made a motion to approve the amendments to the Coverage Addendum, Part II.Q, as presented. Karla Johnson seconded the motion, which passed unanimously.

#### **Review/Approve Education and Training Specialist Position**

As directed by the Board, during their October 12 meeting, Johnnie Miller presented a training oversight proposal, to include the hiring of an event planner, to Adam Trupp of the Utah Association of Counties (UAC). Trupp agreed that training efforts should be handled by the counties risk management experts at UCIP. Therefore, Miller provided the Board a job description for an Education and Training Specialist (see attachment number four). Deb Alexander, Chair of the UCIP Personnel Committee, reviewed the description before it was presented to the Board and agreed with its content. This position will report to the Chief Financial Officer. The compensation for this position will be provided by UCIP and conference expenses will be provided by UAC. Karla Johnson made a motion to approve the new UCIP Education and Training Specialist position. Deb Alexander seconded the motion, which passed unanimously.

#### **Review/Approve Audit Services Engagement Letter**

In preparation of the 2017 audit of UCIP financial statements, Johnnie Miller presented Larson & Company's engagement letter for audit services to the Board (see attachment number five). The fee schedule coincides with their proposal for the second year of services. Larson & Company will meet with the UCIP Audit Committee at 1:00 p.m. prior to the December 21 Board meeting. Mike Wilkins made a motion to approve the audit service engagement letter as presented. Karla Johnson seconded the motion which passed unanimously.

#### **Elect 2018 Officers of the Board**

Alma Adams made a motion to suspend the rules and retain the current officers of the Board for 2018: Bruce Adams, President; Bret Millburn, Vice President; and Karla Johnson, Secretary/Treasurer. Mike Wilkins seconded the motion, which passed unanimously.

#### **Other Business**

The next meeting of the Board of Directors will be held Thursday, December 21, 2017 at 1:30 p.m. at the UAC/UCIP Offices, 5397 S Vine, Murray, Utah.

Mike Wilkins made a motion to adjourn the conference of the Utah Counties Indemnity Pool Board of Directors at 1:35 p.m. on November 30. Alma Adams seconded the motion, which passed unanimously.

Prepared by:

Sonya White  
Sonya White, UCIP Chief Financial Officer

Submitted on this 21 day of December 2017

William E. Cox  
William Cox, Member of the Board

Approved on this 21 day of December 2017

Bruce Adams  
Bruce Adams, President

such withdrawal must be provided to the Board no later than 180 days prior to the Member's intended date of withdrawal. The Board shall consider a timely written notice of withdrawal to be a final decision unless the notice is rescinded by the Member no later than 150 days prior to the Member's intended date of withdrawal. The Board may, by a three-fourths vote and at its sole discretion, agree to permit an earlier date of withdrawal. A Member withdrawn from a joint purchase program shall lose any voting rights inured as a result of participation in that program and any claim of title or interest to any asset of the Pool resulting from that program upon the effective date of that withdrawal with the exception of the right to payment of claims covered by a policy of insurance purchased on behalf of the member by UCIP either jointly or individually, but only to the extent of the terms and conditions of such policy.

2. Any member may terminate its membership in the Pool by terminating its participation in the Property/Casualty self-insurance program, but only at the end of a Pool fiscal year, after giving the Board timely written notice of such termination, pursuant to a resolution of the Member's governing body. Timely written notice of such termination must be provided to the Board no later than 180 days prior to the Member's intended date of termination. The Board shall consider a timely written notice of termination to be a final decision unless the notice is rescinded by the Member at least 150 days prior to the Member's intended date of termination. A terminating Member shall lose all voting rights and any claim of title or interest to any asset of the Pool upon the effective date of termination ~~with the exception of the right to payment of claims for which coverage was provided under the Bylaws Coverage Addendum in effect prior to termination, but only to the extent of the amount of the case reserve set by UCIP for each claim as of the date of notice of termination, or the initial case reserve established by UCIP for claims reported after the date of notice of termination which are covered under the terms of the Bylaws Coverage Addendum in effect prior to termination, and any continuing obligation of the Pool to the member or of the member to the Pool, after the termination of membership, shall end.~~ Termination of membership in the Pool will also be considered a withdrawal of participation in any joint purchase programs the terminating member has participated in, and no member may continue participation in any joint purchase program of the Pool after termination of membership in the Pool.

## **Section 12. DISSOLUTION AND DISPOSITION OF PROPERTY.**

1. The Pool may be dissolved by a majority of the entire Membership voting in favor of dissolution at a Membership Meeting. In the event of voluntary dissolution of the Pool, the assets of the Pool not used or needed for the purposes of the Pool, including its contractual obligations shall be distributed, as determined by the Board, only to Utah counties, which are





- ~~Member County; and~~  
~~iii. be a county related entity as described in 4.3(e)(ix).~~

~~(b)~~(a) To be eligible as a separate UCIP Member a county related entity must:

- i. have statutory authority to enter into an Interlocal Agreement;
- ii. be able to meet the Member obligations enumerated in the UCIP Interlocal Agreement and Bylaws;
- iii. be sponsored by a participating Member County by resolution of the Member's governing body; and
- iv. provide services which are beneficial to the sponsoring Member County or county government generally.

~~(e)~~(b) In addition to the requirements of eligibility under 4.3 ~~(ba)~~:

- i. A county related entity that is an Interlocal Agency must be organized and operated pursuant to Title 11, Chapter 13 of the Utah Code, and the Sponsoring Member must be a member of the Interlocal Agency;
- ii. A county related entity that is a Special Service District must be organized and operated pursuant to Title 17D, Chapter 1 of the Utah Code;
- iii. A county related entity that is a Local Building Authority or Municipal Building Authority must be organized and operated pursuant to Title 17D, Chapter 2 of the Utah Code;
- ~~iv.~~ A county related entity that is a Conservation District must be organized and operated pursuant to Title 17D, Chapter 3 of the Utah Code;
- ~~iv.v.~~ A county related entity that is a Local District must be organized and operated pursuant to Title 17B of the Utah Code, and all members of the Boardthe Board of the Local District must be appointed by the governing body of the Sponsoring Member.
- ~~v.vi.~~ A county related entity that is a Recreation Board must be organized and operated pursuant to Title 11, Chapter 2 of the Utah Code;
- ~~vi.vii.~~ A county related entity that is a Community Development or Renewal Agency must be organized and operated pursuant to Title 17C, Chapter 1 of the Utah Code;
- ~~vii.viii.~~ A county related entity that is a County Health District or multi-county Health District must be organized pursuant to Title 26A of the Utah Code;
- ~~viii.~~ A county related entity that is a Children's Justice Center must be

position which would exclude them from consideration of being assigned as defense counsel on actions filed against the elected official or the Member with which they serve.

- 15.7 Conflicts as described above may be waived only after full disclosure to, and written agreement of, the involved Member and UCIP.

ARTICLE 16. Effective Date and Term

- 16.1 The effective date of these Bylaws is January 1, 2018 and shall remain in effect until amended by the UCIP Board of Directors in accordance with the Interlocal Agreement.

Dated this 01 day of September 2016

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_ Bruce Adams  
Title: \_\_\_\_\_ President

**ATTEST:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_ Karla Johnson  
Title: \_\_\_\_\_ Secretary/Treasurer  
Date: \_\_\_\_\_ 09/01/2016

provided by the Act. Liability limits provided in excess of the limitations set out in the Act are provided solely for CLAIMS not limited by the Act, including federal CLAIMS or CLAIMS filed in another state where neither the Governmental Immunity Act of Utah or any similar governmental immunity or tort limitation act of that state apply.

Q. Defense, Judgement and Settlement

1. The ~~Pool~~POOL will provide the MEMBER or the MEMBER's elected or appointed attorney legal representation to defend any SUIT against the MEMBER and any COVERED PARTY the MEMBER is required to defend under U.C.A. 63G-7-902 and 17-18a-5-501 claiming DAMAGES for which coverage is afforded under this ADDENDUM for an OCCURRENCE or WRONGFUL ACT, even if any of the allegations of the SUIT are groundless, false, or fraudulent, and may make such investigation of any OCCURRENCE, WRONGFUL ACT and settlement of any CLAIM or SUIT as it deems expedient. No legal representation or defense will be provided for CLAIMS made against a COVERED PARTY in his or her personal capacity. The ~~Pool~~POOL has the right to select counsel; however, a COVERED PARTY may hire co-defense counsel, at the COVERED PARTY's expense, to assist in the defense of CLAIMS, provided the attorney selected by the POOL shall be lead counsel. If the MEMBER or the MEMBER's elected or appointed attorney does not accept the counsel selected by the POOL, it will be considered a waiver of the POOL's obligation to provide legal representation by the MEMBER, and the MEMBER and any COVERED PARTY shall have no right to defense or reimbursement or indemnification of defense costs provided by the POOL. Except to the extent otherwise specifically provided in this COVERAGE ADDENDUM, no COVERED PARTY shall, except at the COVERED PARTY's own expense, voluntarily make any payment, assume any obligation, or incur any expense without the POOL's prior written consent. The POOL's obligation to provide legal representation shall arise when the complaint or CLAIM alleges facts, which would obligate the POOL to indemnify the COVERED PARTY if the alleged facts were proven. The POOL will only be responsible for payment of that portion of a settlement or judgement, which relates to CLAIMS for which coverage is afforded under the terms of this ADDENDUM. ~~-, Provided provided,~~ however, (a) the POOL shall not be obligated to pay any settlement or portion of any settlement unless the POOL has given prior written consent to the settlement and (b) the POOL shall not be obligated to pay any settlement or judgement or to provide legal representation in defense of any SUIT after the applicable Limits of Coverage have been exhausted.
2. The Limits of Coverage shall include all costs, attorney's fees and expenses awarded to an adverse party in a litigated or contested CLAIM. All costs, attorney's fees and expenses incurred in the defense of a litigated or contested CLAIM, shall be excess of the Limits of Coverage set forth.





# *Utah Counties Indemnity Pool*

## **Job Description**

### **Position: Education & Training Specialist**

#### GENERAL PURPOSE

Performs a variety of duties to ensure excellence in UCIP's education, training and event planning functions.

#### SUPERVISION RECEIVED

Works under the direct supervision of the Chief Financial Officer.

#### ESSENTIAL FUNCTIONS

##### **Education Coordination**

Coordinates educational opportunities for UCIP Members and members of the Utah Association of Counties (UAC) at regional and statewide seminars, workshops and conferences. Coordinates with UAC staff and other entities and state agencies to identify joint educational opportunities. Designs, prepares and orders educational aids and materials.

##### **Conference & Meeting Planning**

Coordinates the preparation of conferences, seminars, workshops, as well as meetings of boards, committees and other UCIP and UAC member groups. Participates in agenda development; creates and distributes written agendas and announcements; secures guest speakers; coordinates preparation of training materials; assists with registration processes and various logistical needs including organizing meals, hotel and meeting room reservations, audio visual equipment, etc. Develops, solicits and analyzes attendee evaluations.

##### **Training Program Coordination**

Assists UCIP Members in development and maintenance of effective training programs for their officials and employees, including documentation of training conducted. Identifies, analyzes and reports on training needs of members and optional methods of training delivery. Assists trainers in development of training presentations. Coordinates and monitors effectiveness UCIP's current on-line training program and other training programs and provides reports to the CEO on training programs.

##### **Communications**

Coordinates communications related to events, education and training.

##### **Information Technology**

Utilizes website, social media and other online methods to solicit information on education needs, promote events and promote UCIP training services. Implements and monitors on-line training programs.

##### **Purchasing**

Assists with purchasing process related to third party vendor services, software systems and event supplies within UCIP procurement policies.

Performs other related duties as identified or assigned.

#### MINIMUM QUALIFICATIONS

1. Education and Experience:
  - A. Post-secondary education in communications, education or related field;
  - OR
  - B. Two (2) years of experience performing above and related duties in a work or internship environment;
  - OR
  - C. An equivalent combination of education and experience.
2. Knowledge, Skills, and Abilities:

**Considerable knowledge of:** effective communication and training methods; event planning, including hotel room block negotiation, catering coordination and entertainment booking; use of software applications (MS Windows, Word, Excel, Power Point, Publisher, QuickBooks, etc.).

**Strong skills in the areas of:** verbal and written communication; editing and formatting professional business communications; operating various office machines and equipment; effective use of personal computer hardware and software including Word, Excel, Outlook, Power Point, Access and QuickBooks.

**Ability to:** establish and maintain effective working relationships with supervisors, co-workers, members, vendors and the public; self-direct on routine duties; work independently and deal effectively with stress caused by work load and deadlines.

3. Special Qualifications:

Public Sector experience a plus.

WORK ENVIRONMENT

Incumbent of the position generally performs in a typical office setting with appropriate climate controls. Tasks require variety of physical activities, which do not generally involve muscular strain, such as walking, standing, stooping, sitting, reaching and lifting (50 lbs.). Regular talking, hearing and seeing required in the normal course of performing the job. Common eye, hand, finger dexterity required to perform some essential functions. Mental application utilizes memory for details, verbal instructions, emotional stability, discriminating thinking and creative problem solving.



November 29, 2017

Audit Committee  
**Utah Counties Indemnity Pool**  
5397 S Vine Street  
Murray, UT 84107

We are pleased to confirm our understanding of the services we are to provide **Utah Counties Indemnity Pool** (the Association) for the year ended December 31, 2017. We will audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements of **Utah Counties Indemnity Pool** as of and for the year ended December 31, 2017. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement **Utah Counties Indemnity Pool's** basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to **Utah Counties Indemnity Pool's** RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Contribution and Loss Development Information
- 3) Schedule of the Proportionate Share of the Net Pension Liability
- 4) Schedule of Contributions

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of **Utah Counties Indemnity Pool** and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of **Utah Counties Indemnity Pool's** financial statements. Our report will be addressed to the Board of Directors of **Utah Counties Indemnity Pool**. We cannot provide

## Utah Counties Indemnity Pool

November 29, 2017

Page 2

assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that **Utah Counties Indemnity Pool** is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any



## **Utah Counties Indemnity Pool**

November 29, 2017

Page 3

violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of **Utah Counties Indemnity Pool's** compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; for the acceptance of the actuarial methods and assumptions used by the actuary, and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant

## Utah Counties Indemnity Pool

November 29, 2017

Page 4

agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits,

## **Utah Counties Indemnity Pool**

November 29, 2017

Page 5

or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the State Auditor's Office; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Larson & Company PC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Auditor's Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Larson & Company PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State Auditor's Office. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit approximately February 2018 and to issue our report no later than April 2018. Geri A. Douglas, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$18,600. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation

**Utah Counties Indemnity Pool**

November 29, 2017

Page 6

from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to **Utah Counties Indemnity Pool** and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

*Larson & Company P.C.*

LARSON & COMPANY PC

**RESPONSE:**

This letter correctly sets forth the understanding of **Utah Counties Indemnity Pool**.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_